

## OFFICE OF THE COUNTY CLERK

COUNTY OF MAUI 200 SOUTH HIGH STREET WAILUKU, MAUI, HAWAII 96793 www.mauicounty.gov/county/clerk

June 5, 2015

Honorable Don Couch, Chair Planning Committee Council of the County of Maui Wailuku, Hawaii 96793

Dear Chair Couch:

Respectfully transmitted is a copy of COUNTY COMMUNICATION NO. 15-168, from the Chair of the Maui Planning Commission, that was referred to your Committee by the Council of the County of Maui at its meeting of June 5, 2015.

Respectfully,

JOSIAH K. NISHITA Deputy County Clerk

/jym

Enclosure

cc: Director of Council Services

ALAN M. ARAKAWA Mayor

WILLIAM R. SPENCE Director

MICHELE CHOUTEAU McLEAN
Deputy Director



QESSIVED

2015 MAY 20 17 10 10

**COUNTY OF MAUI** 

## **DEPARTMENT OF PLANNING**

March 31, 2015

Honorable Alan M. Arakawa (), Mayor, County of Maui 200 South High Street Wailuku, Hawaii 96793

For Transmittal to:

Honorable Mike White, Chair and Members of the Maui County Council 200 South High Street Wailuku, Hawaii 96793 DEFICE OF THE

APPROVED FOR TRANSMITTAL

Date

Dear Chair White and Members:

SUBJECT: PROPOSED MORATORIUM OR REPEAL OF CHAPTER 19.65,

MAUI COUNTY CODE, RELATING TO SHORT TERM RENTAL

**HOMES** 

On behalf of the Maui Planning Commission, we unanimously and strongly recommend that the Council consider repealing Chapter 19.65, Maui County Code, relating to Short Term Rental Homes, or establishing a moratorium on the issuance of new Short Term Rental Home (STRH) permits.

At our meetings of February 24, 2015 and March 10, 2015, we discussed this issue at length. We are deeply concerned over the insufficient supply of affordable housing for our residents, both to rent and to buy (and by "affordable" we simply mean affordable to working families, and not necessarily subsidized or fast-track). For every home that is converted to STRH use, there is one home removed from long-term residential use. Over the past several years, very few new homes have been built on Maui; this is attributable to several factors, including the "Show Me the Water" bill and the "Workforce Housing" bill, as well as the economic downturn. In addition to the recent under-supply of new inventory making affordable homes hard to find, our population is steadily growing, creating even greater demand.

We further believe that STRHs are eroding the character of residential neighborhoods by turning homes that were once occupied by long-term residents into lucrative commercial properties. This in turn drives up property values, thus putting homes even further out of reach of working families. Until our working families can find reasonably-priced homes, we believe that a moratorium of STRH permits or repeal of the STRH ordinance should be enacted.

Another critical component to controlling the proliferation of illegal STRHs and making more homes available for long-term occupancy is enforcement. The Planning Department has estimated that there are 2,500 – 3,000 illegal STRHs operating in Maui County. As the Council

Honorable Alan M. Arakawa, Mayor For Transmittal to: Honorable Mike White March 31, 2015 Page 2

directed when you adopted the STRH ordinance, the Department has begun pro-active enforcement. However, with only six zoning inspectors, who are also responsible for zoning and other land use enforcement, it is unrealistic to expect that these thousands of STRHs will be returned to long-term use any time soon. Since the Department began pro-active enforcement last June, approximately 350 - 400 Notices of Warning have been issued, and only a handful of Notices of Violation.

Therefore, we further recommend that the Council provide the Planning Department with additional funding and resources to control and resolve this urgent problem. The Department estimates that it would need the equivalent of ten additional zoning inspectors to effectively and meaningfully enforce illegal STRHs in a pro-active way.

We support our visitor industry and are not opposed to the concept of STRHs if they do not negatively impact our residents and communities. We support the continued operation of permitted Bed and Breakfast homes (B&Bs), pursuant to Chapter 19.64. Maui County Code. as these operations must include long-term residential occupancy. Not only do B&Bs provide longterm residential housing, they also allow these residents to supplement their incomes while providing visitors with alternative accommodations to hotels, and often providing employment to others. However, we firmly believe that the vast proliferation of illegal STRHs has severely limited the housing opportunities for our working families.

Until our housing supply has increased to where our residents can find affordable homes to rent or buy - whether by new construction and/or serious and adequately-funded enforcement efforts - we strongly recommend that the STRH ordinance be repealed or a moratorium on new STRHs be enacted.

Thank you for your consideration of this important matter. If you have any questions or require further information, you may contact us through Planning Director William Spence.

Sincerely,

IVAN LAY, Chair
Maui Planning Commission

xc:

William Spence, Planning Director Clayton I. Yoshida, Planning Program Administrator Joseph W. Alueta, Administrative Planning Officer Molokai Planning Commission Lanai Planning Commission

IL:MCM:atw

S:\ALL\Michele\MPC\_Council\_STRH\_Moratorium\_revised\_final\_1.doc